



State Senator  
**Ron Jelinek**

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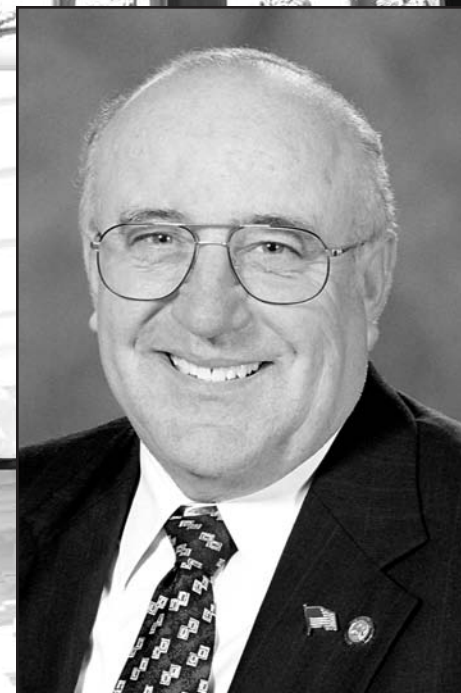
## Taking Care of Business on the Web

- Search for lost or forgotten personal and business assets at [www.michigan.gov/treasury](http://www.michigan.gov/treasury). Follow the Treasury Quick Link to Unclaimed Property.
- The new Federal Energy Policy Act provides tax credits for certain commercial and residential energy improvements installed in 2006 and 2007. Find out more at [www.michigan.gov/energyoffice](http://www.michigan.gov/energyoffice).
- Want to do business with the state of Michigan? Visit [www.michigan.gov/dmb](http://www.michigan.gov/dmb) for information on everything from the competitive bid process to state surplus sales.
- Stay current on your Business Tax account at [www.michigan.gov/treasury](http://www.michigan.gov/treasury).
- From technical assistance to loan information, the Small Business Administration (SBA) offers programs and services to help small business succeed. Find out more at [www.sba.gov](http://www.sba.gov).
- Do bad rules or unnecessary red tape add to your cost of doing business in Michigan? Share your concerns at [www.senate.michigan.gov/gop](http://www.senate.michigan.gov/gop).
- Introduce teens to the concept of small business ownership at [www.sba.gov/teens](http://www.sba.gov/teens).



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## BUSINESS UPDATE

# STATE SENATOR **RON JELINEK**

## Serving the 21st District

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### Dear Job Provider:

I want to share with you some of the recent action Senate Republicans have taken to spur economic growth in our state. Our work can best be summed up in three words: Michigan Means Business.

Most recently, the Michigan Legislature voted to repeal the job-killing Single Business Tax, effective December 31, 2007. This bold and decisive move was taken to start serious discussion now on fixing one of the biggest obstacles to job creation in our state. Despite virtual agreement within the business community that the "Michigan Jobs Tax" is an impediment to growth, the bill was vetoed by the Governor.

The SBT legislation followed action at the very start of 2006 to dramatically reduce taxes on small businesses – over 30 million dollars in tax relief this year alone! Unfortunately, this bill was also vetoed. Despite this setback, we will not abandon our mission to get Michigan working. We remain committed to helping make Michigan the best state in the nation to do business. We will continue to look at ways to provide further tax relief, limit the regulatory burden and make sure government lives within its means.

As a job provider, your contribution to our community and our state cannot be overstated, especially during these challenging times. If there is any way I may be of assistance to you, please do not hesitate to contact me toll-free at 1-866-305-2121 or by e-mail at [senrjelinek@senate.michigan.gov](mailto:senrjelinek@senate.michigan.gov). Best wishes for a productive and prosperous year!

Sincerely,

*Ron Jelinek*

Ron Jelinek  
State Senator



# Jelinek Supports Small Business Relief

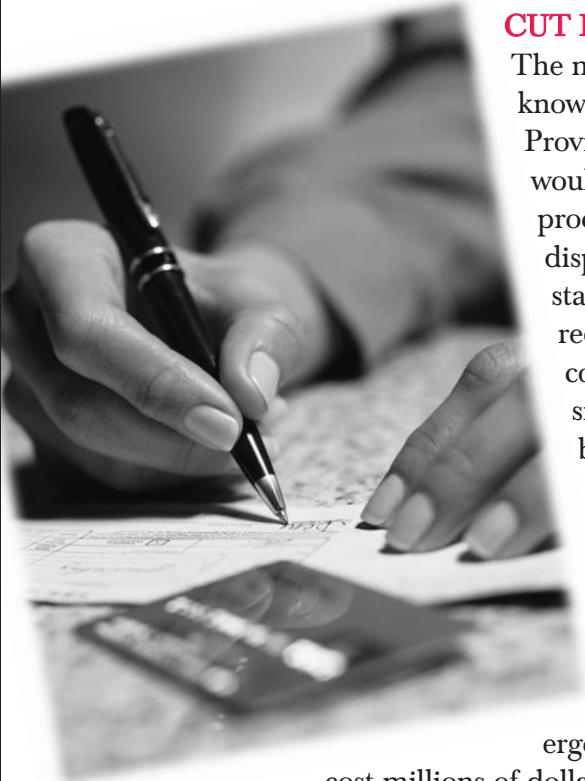
Senate Republicans set the agenda early with swift action at the start of the year to provide relief for Michigan small businesses. Small firms are the backbone of our economy, creating two out of every three new jobs. Establishing a more positive business climate helps all our job providers compete. The bills passed by the Legislature would:

**PROVIDE TAX RELIEF.** Tax rates would be cut in half for more than 32,000 job providers. SB 957 would reduce the alternative rate job providers pay from 2 percent to 1 percent for businesses that have less than \$10 million per year in gross receipts and whose chief executives make less than \$125,000 per year. Although this bill was vetoed by the Governor, Senator Jelinek and his Senate Republican colleagues will continue to actively pursue this issue.

# Jelinek Supports End to Single Business Tax

This spring, the Michigan Senate took aim at one of the biggest roadblocks to economic development and job growth and voted to eliminate the Single Business Tax (SBT). Under the legislation, this confusing and burdensome tax would have been replaced with business taxes that encourage job creation, investment and economic growth. The bill was recently vetoed by the Governor.

Michigan is the only state to tax the value job providers add to the economy. Currently, a company's tax bill goes up as it hires workers, essentially penalizing the business for creating jobs. "This tax puts Michigan businesses at a tremendously competitive disadvantage," Sen. Jelinek said. "It's time to get rid of this job killer and move Michigan forward." The SBT was first enacted in 1976 at a time when heavy manufacturing dominated the state's economy. It costs job providers about \$1.8 billion annually.



**CUT RED TAPE.** The multi-bill package known as the Job Provider Bill of Rights would streamline the process for resolving disputes with the state's tax system and reduce compliance costs. The Governor signed eight of the bills and vetoed the remainder.

## PROHIBIT ERGONOMIC STANDARDS.

Proposed mandatory ergonomic rules could cost millions of dollars and create overwhelming compliance burdens for job providers. Science doesn't support such standards and Congress overturned them at the federal level in 2001. This measure was vetoed by the Governor.

# Senate Takes Steps to Diversify the Economy

As changing economic forces have spurred a decline in manufacturing, it is clear that a strong Michigan depends upon economic diversification. To help fuel this expansion, the Senate passed legislation to use long term investments to help create a climate for high-tech, high-growth job opportunities.

The legislation allows the state to take a portion of Michigan's annual tobacco settlement revenue to purchase bonds. Known as securitization, it provides an upfront lump sum of money from the tobacco settlement to provide grants and loans to companies involved in the research and commercialization of new products. The plan focuses on four high-growth areas: the life science, alternative energy, homeland security, and advanced automotive technology sectors.

# Jelinek Backs Small Business Growth

Along with tax and regulatory relief, Senator Jelinek and his colleagues looked at many other ways to encourage new businesses and support existing businesses. **Among the legislation recently signed into law:**

- Public Act 214 of 2005 creates tax incentives for "angel investors" or individuals who provide initial start-up funds for new firms.
- Public Act 213 of 2005 establishes a product development pipeline to assist in bringing life science products to market.
- Public Acts 275 and 276 of 2005 expand and improve the tool and die recovery zone program. The new laws build on earlier Senate Republican efforts to support these important small businesses.
- Public Act 144 of 2005 gives a boost to local businesses and the tourism industry by requiring public schools to start after Labor Day.
- Public Acts 217, 218, 219 and 220 of 2005 provide for the expedited filing of certain business documents by e-mail or over the internet.
- Public Act 212 of 2005 significantly reduces fees for businesses when the business incorporates and authorizes the sale of stock, or when the business increases the number of shares.

# MI Small Business Spans the Globe

Michigan's exports rose 8.15% in 2004, moving the state from 5th to 4th place on sales of \$35.6 billion to 191 markets worldwide. While Michigan led the states in exports of vehicles and parts at \$14.8 billion, big companies aren't the only players in the international marketplace. In fact, according to the SBA, small businesses represent 97 percent of all U.S. exporters. Learn more at the Export Connection at: [www.medc.michigan.org/services/export](http://www.medc.michigan.org/services/export).

More than one third of the total agricultural products grown in Michigan are exported each year. Food and agricultural firms can find helpful information on international marketing at: [www.michigan.gov/mda](http://www.michigan.gov/mda).

